

**February 1, 2012**

WASHINGTON, D.C. – U.S. Senators Pat Toomey (R-Pa.) and Bob Casey (D-Pa.) and nine U.S. House members from Pennsylvania's delegation sent a bipartisan letter to the U.S. Environmental Protection Agency today.

The letter asks EPA Administrator Lisa Jackson to consider the impact that the Cross State Air Pollution Rule (CSAPR) will have on Pennsylvania's 15 circulating fluidized bed (CFB) coal refuse power plants and the more than 1,000 people they directly or indirectly employ.

Coal refuse power plants are a private-sector solution to an ongoing environmental problem, converting piles of low BTU coal unfortunately discarded decades ago into power for Pennsylvanians. Since 1987, these plants have removed more than 150 million tons of coal refuse from Pennsylvania hillsides and reclaimed 5,000 acres of abandoned mine lands that would have otherwise contributed to acid mine discharges into our waters and pollution into our air.

EPA acknowledged the environmental benefits of CFB coal refuse plants in its Utility MACT rulemaking. Given this acknowledgment, it is perplexing that the EPA made no special exceptions for CFB coal refuse plants in a related CSAPR rulemaking. Instead the agency set thresholds for emissions that the Pennsylvania Department of Environmental Protection says are not economically feasible for these plants to meet. In the letter, the members of Congress ask the EPA to consider whether these plants should be required to meet the new threshold.

"This is an incredibly important issue for Pennsylvania, as only a few of these plants are scattered outside of the commonwealth. We are very concerned that EPA did not adequately consider the unique operation of these facilities and the significant contributions they make to Pennsylvania's environment and economy," the legislators write.

The full text of the letter is below.

Feb. 1, 2012

Administrator Lisa P. Jackson

United States Environmental Protection Agency

Ariel Rios Building

1200 Pennsylvania Ave. NW

Washington, D.C. 20460

Dear Administrator Jackson:

We appreciate the open dialogue with your staff regarding the finalized Cross State Air Pollution Rule (CSAPR) as it relates to electric generating units (EGUs) that utilize circulating fluidized bed (CFB) technology and coal refuse as a primary fuel source. As the agency considers additional technical changes, as it has for 14 other states, we urge you to further consider the potentially devastating impact of CSAPR on Pennsylvania's 15 CFB coal refuse plants and the more than 1,000 people they directly or indirectly employ. This is an incredibly important issue for Pennsylvania, as only a few of these plants are scattered outside of the commonwealth. We are very concerned that EPA did not adequately consider the unique operation of these facilities and the significant contributions they make to Pennsylvania's environment and economy.

CFB coal refuse plants are a private sector solution to an ongoing environmental problem, converting legacy piles of low BTU coal into power for Pennsylvanians. Since 1987, these plants have removed more than 150 million tons of coal refuse from Pennsylvania hillsides and reclaimed 5,000 acres of abandoned mine lands that would have otherwise contributed to acid mine discharges into our waters and pollution into our air. The Pennsylvania Department of Environmental Protection (PA DEP) recognizes this, stating that "the most cost effective means

of reclaiming coal refuse piles is through the use of coal refuse as a fuel. Everything should be done to encourage this practice." EPA echoed that sentiment in the preamble to the Utility MACT rulemaking, acknowledging that "units that burn coal refuse provide multimedia environmental benefits by combining the production of energy with the removal of coal refuse piles and by reclaiming land for productive use."

Given this praise by EPA in Utility MACT, it is perplexing that the agency gave no flexibility in CSAPR to CFB coal refuse plants. Based on the final rule, PA DEP has stated that there is no economically feasible way for these plants to achieve EPA's sulfur dioxide (SO<sub>2</sub>) emissions thresholds for CSAPR Phase II in 2014. It is our understanding that these plants currently control 90-95 percent of their SO<sub>2</sub> emissions and contribute less than 0.5 percent to total SO<sub>2</sub> emissions nationwide. EPA is now asking them to control 60-70 percent of their remaining SO<sub>2</sub> emissions.

The problem is that many of the additional control solutions available to ordinary and substantially larger EGUs are simply not economically practical for this industry based on EPA's criteria used in the CSAPR rulemaking process. Their specialized boilers are designed for a specific feedstock and fuel switching detracts from their mission of eliminating coal refuse piles. Other options like dry sorbent injection, which has never been tested or applied to a CFB coal refuse plant, could render the ash produced unusable for beneficial use purposes such as abandoned mine reclamation, making plant operations more costly or even forcing premature retirement of the plant. Importantly, the majority of these plants operate under power purchase agreements, which specifically limits them from passing on additional costs, including emissions controls or allowance purchases, to customers because they are contractually obligated to produce power at a specified rate.

Given the impractical compliance options and costs, the current and ongoing environmental benefits provided to our land and water, the fact that these plants are not a significant contributor to cross state SO<sub>2</sub> emissions and the inability of many of these plants to recover the additional costs of compliance, is it a prudent decision for the EPA to continue to include CFB coal refuse plants in this rulemaking? We believe an exemption for this category of EGUs or an increase in the state's SO<sub>2</sub> emissions budget to a level that provides them with adequate SO<sub>2</sub> allowances for their operations is necessary to save these plants. We hope EPA will consider this request and keep in mind the benefits these plants provide to many rural communities as this dialogue continues. Thank you for your consideration.

Sincerely,

Pat Toomey

United States Senator

Robert P. Casey Jr.

United States Senator

Jason Altmire

United States House of Representatives

Lou Barletta

United States House of Representatives

Mark Critz

United States House of Representatives

Charlie Dent

United States House of Representatives

Tim Holden

United States House of Representatives

Mike Kelly

United States House of Representatives

Tom Marino

United States House of Representatives

Bill Shuster

United States House of Representatives

Glenn 'GT' Thompson

United States House of Representatives